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Programme of Action for the Least Developed Countries for the Decade 2011-2020

I. Introduction

1. The least developed countries, consisting of 48 countries with a total population of 880 million, represent the poorest and weakest segment of the international community. Least developed countries are characterized by constraints such as low per capita income, low level of human development, and economic and structural handicaps to growth that limit resilience to vulnerabilities.

2. In the decade since the adoption of the Brussels Programme of Action in 2001, least developed countries have made some progress in economic, social and human development. In this regard, we welcome the efforts made by least developed countries themselves and their development partners. However, there is no room for complacency, as more than 75 per cent of the least developed countries' population still live in poverty. It is a matter of deep concern to the international community that only three countries have graduated out of this category so far in the past three decades.

3. The least developed countries continue to have the lowest per capita incomes and the highest population growth rates. They are the most off track in the achievement of the internationally agreed development goals, including the Millennium Development Goals, and are at the bottom of the Human Development Index rankings. Least developed countries have been unable to overcome their economic vulnerability and structurally transform their economies or build resilience against internal and external shocks and crisis.

4. Least developed countries' productive capacity is limited, and they have severe infrastructure deficits. Similarly, least developed countries continue to struggle with improving human and social development. Some least developed countries lack adequate governance capacities and institutions, including those emerging from conflict.

5. An evidence-based appraisal of the implementation of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010 confirms

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that a more strategic, comprehensive, and sustained approach based on ambitious, focused and realistic commitments is required to bring about structural transformation in least developed countries that fosters accelerated, sustained, inclusive and equitable economic growth and sustainable development and helps least developed countries meet long-standing as well as emerging challenges.

6. Since the Third United Nations Conference on the Least Developed Countries, the international economic and development landscape has been evolving, with an expansion of the number of partners and actors and more complex aid, economic and financial architecture.

7. In addition, new challenges have emerged. The international community has been challenged by multiple and interrelated crises, including the ongoing impact of the financial and economic crisis, volatile energy and food prices and ongoing concerns over food security, as well as the increasing challenges posed by climate change and the loss of biodiversity, which all have increased vulnerabilities and inequalities and have adversely affected development gains in least developed countries.

8. Solidarity, cooperation and partnership with the least developed countries, the poorest, most vulnerable and weakest countries and their people are not only moral imperatives, they are also economic and political ones. Least developed countries represent an enormous human and natural resource potential for world economic growth, welfare, prosperity and food and energy security. A successful renewed and strengthened global partnership that effectively addresses the special needs of least developed countries will contribute to the cause of peace, prosperity and sustainable development for all.

9. In addition to the outcomes of previous United Nations Conferences on the Least Developed Countries, the Millennium Declaration, the Monterrey Consensus of the International Conference on Financing for Development, the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg Plan of Implementation), the 2005 World Summit Outcome, the Doha Declaration on Financing for Development and the outcome document of the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals have reaffirmed that least developed countries deserve particular attention and well-targeted support measures to eradicate poverty, accelerate economic growth, achieve sustainable development and overcome their vulnerabilities.

10. The Programme of Action for the decade 2011 to 2020 represents the enhanced commitments of the least developed countries, which have the ownership of and primary responsibility for their own development, and their development partners to a renewed and strengthened global partnership.

11. This partnership also includes the United Nations system, including the Bretton Woods institutions, other multilateral institutions and regional development banks, within their respective mandates.

12. Guided by the spirit of solidarity with least developed countries, developing countries, consistent with their capabilities, will provide support for the effective implementation of the Programme of Action in mutually agreed areas of cooperation within the framework of South-South cooperation, which is a complement to, but not a substitute for, North-South cooperation.

13. The private sector, civil society and foundations will be encouraged to contribute to the implementation of the Programme of Action in their respective areas of competence in line with least developed countries' national priorities.

II. Review of the implementation of the Brussels Programme of Action

14. The Brussels Programme of Action was based on seven commitments aimed at significantly improving the human conditions of people in least developed countries, through providing a framework for a strong global partnership. Its overarching goal was to make substantial progress towards halving the proportion of people living in extreme poverty and suffering from hunger by 2015 and promote sustainable development in least developed countries. Significant and steady growth of gross domestic product (GDP) was seen as the main requirement for reaching the overarching goal.

15. Economic and social development was better during the implementation of the Brussels Programme of Action than during the previous decade, despite large differences among individual least developed countries. Some least developed countries achieved growth rates exceeding 7 per cent annually, but in many least developed countries growth remained significantly lower and some least developed countries experienced negative growth rates. During the decade, least developed countries' participation in international trade was increased, although their share in global trade still remains marginal.

16. The least developed countries made some progress towards reaching the Millennium Development Goals, particularly in the field of universal primary education and gender equality in school enrolment, while many least developed countries are off track in the rate of progress towards the target of reducing child mortality and improving maternal health. Large imbalances within and between countries persist in terms of the human and social goals of the Brussels Programme of Action with respect to gender, rural-urban populations and other disadvantaged groups.

17. Least developed countries have also made some progress towards good governance, especially with respect to efforts to embed and institutionalize democratic governance in their own processes and with respect to the empowerment of women.

18. While the Brussels Programme of Action has had a positive role to play in the development process of the least developed countries, the specific goals and action of the Brussels Programme of Action have not been fully achieved. The improved economic performance in some least developed countries had a limited impact on employment creation and poverty reduction. In many least developed countries structural transformation was very limited, and their vulnerability to external shocks has not been reduced.

19. Changes in the sectoral composition of GDP have been much slower in many least developed countries than in other developing countries. In particular, the share of manufacturing, which has been the driving force of economic development in many middle-income countries, has increased only slowly.

20. Many least developed countries are net food importers, which has increased their vulnerability to rapid declines in export earnings and capital flows. Multiple, interrelated global crises and challenges, such as increased food insecurity, volatile energy and commodity prices, and the global financial and economic crisis partly reversed development gains that least developed countries achieved over the years.

21. The implementation of development strategies in least developed countries improved and development partners increased their contributions during the period of implementation of the Brussels Programme of Action. Progress has also been made in addressing the needs of least developed countries regarding financial and technical assistance, trade capacity, market access and debt relief, though not all commitments and targets have been fully realized.

22. While the least developed countries have made considerable efforts to mobilize domestic resources for their development, most of them still face a huge financing gap, and ODA continued to be the largest source of external financing for the development of least developed countries. The aggregate ratio of official development assistance (ODA) to gross national income (GNI) for Development Assistance Committee (DAC) members increased from 0.05 per cent in 1997-1998 to 0.09 per cent in 2008, but remained well below the 0.15-0.20 per cent target. An increasing share of aid went to the social sectors, rather than building physical and economic infrastructure.

23. The share of least developed countries' exports in international merchandise trade increased from 0.62 per cent in 2002 to 1.08 per cent in 2008. Progress has been made towards fulfilling commitments on duty-free quota-free market access for products originating in least developed countries in conformity with the Hong Kong Ministerial Declaration adopted by the World Trade Organization in 2005. However, full realization is yet to be achieved. Some countries have or made considerable efforts to implement simple and transparent rules of origin for least developed country products, but other serious obstacles to trade remain, including non-tariff barriers that are inconsistent with World Trade Organization rules and obligations and supply-side constraints, in particular lack of infrastructure and modern technologies and energy deficiency.

24. The Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) have had a positive impact on development in many least developed countries, though not all least developed countries are eligible. However, owing to increased lending and borrowing during the financial crisis, debt distress continues to be a major concern for least developed countries.

25. Foreign direct investment flows to least developed countries have also increased substantially, but without a visible impact on structural change. The investment-to-GDP ratio target of 25 per cent set in the Brussels Programme of Action was met only partially by a few countries. Foreign direct investment flows remained concentrated on extractive industries, with non-resource attracting sectors receiving a limited share of overall foreign direct investment flows to least developed countries.

26. There are some important lessons learned for the new Programme of Action from the reviews of the Brussels Programme of Action at national, regional and global levels:

(a) Greater ownership and leadership of least developed countries is indispensable, including the integration of the Programme of Action into national development strategies, plans and programmes, and identification of authorities to oversee implementation, as well as multi-stakeholder engagement by parliamentarians, civil society organizations, the private sector, and executive branches;

(b) Some international support measures generated only limited results, as they were insufficient in scope and scale to achieve the goals and objectives of the Brussels Programme of Action and the specific needs of the least developed countries. In some cases there were implementation difficulties and a lack of policy coherence and consistency. International support measures should be strengthened in terms of higher priority and specific targeting of least developed countries;

(c) Treating least developed countries as a group on the basis of their low per capita income, human asset development and economic vulnerability remains the fundamental premise for special measures in their favour. This Programme of Action needs to fully take into account the specific geographical constraints and vulnerabilities of each least developed country, including small island and landlocked least developed countries, least developed countries with mountains and fragile ecology, low-lying coastal least developed countries, those with extreme dependency on primary commodity exports, low agricultural productivity and food insecurity, climate and environmental vulnerability, energy insecurity and least developed countries emerging from conflict;

(d) The multiple crises created a new consciousness regarding instabilities and vulnerabilities of the global economy. It is important to refocus attention on structural transformation of least developed countries through increasing productive capacity and diversification and strengthening home-grown development paths;

(e) Better integration of the Programme of Action into aid, trade and development strategies of development partners is also crucial for its successful implementation and coherence of policies;

(f) In addition to the development partners, the developing countries, consistent with their capabilities, can contribute to the implementation of the new Programme of Action within the context of South-South cooperation, as a complement to, but not a substitute for, North-South cooperation;

(g) The development strategy for the next decade should complement the export-led growth strategies by focusing on the strengthened role of domestic productive capacity, diversification, enhanced investments, infrastructural development, building technological capacity, building and strengthening the capacity of least developed country private sector that can stimulate enhanced and sustained, inclusive and equitable economic growth and structural transformation. There should be increased attention to agriculture and rural development and to food and nutrition security. Regional integration, including in infrastructure, should also be given greater prominence;

(h) Priority areas for support should be targeted, better matching these areas with goals and targets, and specific means and tools to reach them should be identified;

(i) Focus on issues like good governance at national and international levels and the fight against corruption, respect for human rights, gender issues, building institutional capacity, social protection and social services and environmental concerns is important to a broad approach to poverty eradication;

(j) Enhanced financial resources are important to bring about structural transformation and to achieve sustainable development and poverty eradication in least developed countries, as well as other goals of this Programme of Action. The quantity, quality and predictability of resources should be addressed, as well as the best ways to use dedicated regional and global facilities and mechanisms to provide support to the least developed countries;

(k) More effective representation of least developed countries in decision-making at the global level could improve the international environment for the development of the least developed countries. Wider recognition of least developed country status could stimulate and facilitate better integration of the Programme of Action into development policies;

(l) Monitoring and follow-up should not focus only on goals and targets, but also on actions, to strengthen the principle of mutual accountability.

III. Renewed and strengthened partnership for development

Objectives

27. The overarching goal of the Programme of Action for the decade 2011-2020 is to overcome the structural challenges faced by the least developed countries in order to eradicate poverty, achieve internationally agreed development goals and enable graduation from the least developed country category.

28. Guided by the overarching goal, national policies of least developed countries and international support measures during the decade will focus on the following specific objectives with the aim of enabling half the number of least developed countries to meet the criteria for graduation by 2020:

(a) Achieve sustained, equitable and inclusive economic growth in least developed countries, to at least the level of 7 per cent per annum, by strengthening their productive capacity in all sectors through structural transformation and overcoming their marginalization through their effective integration into the global economy, including through regional integration;

(b) Build human capacities by fostering sustained, equitable and inclusive human and social development, gender equality and the empowerment of women;

(c) Reduce the vulnerability of least developed countries to economic, natural and environmental shocks and disasters, as well as climate change, and enhance their ability to meet these and other challenges through strengthening their resilience;

(d) Ensure enhanced financial resources and their effective use for least developed countries' development, including through domestic resource mobilization, ODA, external debt relief, foreign direct investment and remittances;

(e) Enhance good governance at all levels, by strengthening democratic processes, institutions and the rule of law; increasing efficiency, coherence,

transparency and participation; protecting and promoting human rights; and reducing corruption, and strengthen least developed country Governments' capacity to play an effective role in their economic and social development.

Principles

29. The following principles will guide the implementation of the Programme of Action, based on a strengthened framework of partnership for successfully achieving its objectives:

(a) **Country ownership and leadership.** The ownership of and the leadership and primary responsibility for their own development lie with least developed countries. Least developed countries have the right and responsibility to formulate and execute their own coherent economic and development policies and strategies and identify their own national priorities, including striking a balance in the allocation of resources between economic and social sectors. Development partners should support least developed countries in the design and the implementation of their development strategies;

(b) **An integrated approach** in which the development process in least developed countries should be viewed in a comprehensive and holistic manner. The promotion of policy coherence and consistency of the international economic, financial and trading systems with the aim of increasing the quantity, quality and effectiveness of least developed country-focused international support measures and mechanisms is of key importance. The implementation of the Programme of Action should be integrated into all relevant international processes;

(c) **Genuine partnership** and solidarity with understanding and recognition that the least developed countries, as the most vulnerable group of countries, need effective national policies, enhanced global support and appropriate mechanisms at all levels for the achievement of the goals and objectives of this Programme of Action;

(d) **Result orientation.** The success of the Programme of Action will be judged by its contribution to internationally agreed development goals and targets and enabling the least developed countries to graduate. The process of identification, monitoring and assessment of progress in implementing actions and realizing the goals and objectives of the Programme of Action will contribute to enhancing mutual accountability and effectiveness of development cooperation;

(e) **Peace and security, development and human rights,** as pillars of the United Nations system and the foundation for collective security and well-being, are interdependent, interlinked and mutually reinforcing. Development requires and strengthens freedom, peace and security, good governance, respect for all human rights, including the right to food, the rule of law, gender equality, respect for nature and an overall commitment to just and democratic societies. The particular challenges faced by some least developed countries regarding conflict and their human, economic and social implications need to be recognized and their stability enhanced. In an interdependent and interconnected world, each member of the international community has stakes in common security, prosperity and welfare. The eradication of poverty and hunger in least developed countries, among others, would contribute towards ensuring global stability and prosperity in a sustainable manner;

(f) **Equity** at all levels is indispensable for the pursuit of long-term prosperity and the realization of all the internationally recognized human rights, including the right to development by all. Development strategies and programmes of least developed countries and their partners should strive to enhance the participation and empowerment of the poor and marginalized in their own development and benefit the most vulnerable, ensuring social justice, democracy, gender equality and sustained, inclusive and equitable economic growth and sustainable development;

(g) **Voice and representation.** The international economic system and architecture should be inclusive and responsive to the special development needs of least developed countries, ensuring their effective participation, voice and representation at all levels;

(h) **Balanced role of the State and market considerations,** where the Government in least developed countries commits to design policies and institutions with a view to achieving sustainable and inclusive economic growth that translates into full employment, decent work opportunities and sustainable development. The State also plays a significant role in stimulating the private sector towards the achievement of national development objectives and creates an appropriate enabling stable, transparent and rules-based economic environment for the effective functioning of markets.

Renewed and strengthened partnership for development

30. The Istanbul Programme of Action is based on commitments, accountability and partnership between least developed countries and their development partners to undertake concrete actions in a number of interlinked areas. This requires supportive and integrated policies across a wide range of economic, social and environmental issues consistent with the objectives of this Programme of Action.

31. Each least developed country will translate policies and measures in the Programme of Action into concrete measures by integrating this Programme of Action into the national and sectoral development strategies and plans. It is recognized that the increasing interdependence of national economies in a globalizing world and the emergence of rules-based regimes for international economic relations have meant that the space for national economic policy, that is, the scope for domestic policies, especially in the areas of trade, investment and international development, is now often framed by international disciplines, commitments and global market considerations. It is for each Government to evaluate the trade-off between the benefits of accepting international rules and commitments and the constraints posed by the loss of policy space.

32. National efforts of least developed countries should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of least developed countries and responding to their evolving national priorities.

33. Development partners will implement on their part this Programme of Action by integrating it into their respective national cooperation policy frameworks, programmes and activities, as appropriate, to ensure enhanced, predictable and targeted support to least developed countries, as set out in the Programme of Action.

34. Developing countries, consistent with their capabilities, in the context of South-South cooperation, will support the effective implementation of this Programme of Action, in accordance with the provisions in section V.

35. Subregional and regional cooperation can play a critical role in promoting sustained, inclusive and equitable economic growth and sustainable development in least developed countries, including through enhanced subregional and regional connectivity, both physical and institutional, and strengthened responses to threats and crises of various kinds. The importance of advancing and supporting subregional and regional cooperation efforts in favour of least developed countries should be stressed.

36. As long-term partners in the development process of least developed countries, the organizations of the United Nations system, including the Bretton Wood institutions, have a special role to play in the implementation of the Programme of Action.

37. Parliaments have an important role in debating development strategies as well as overseeing their implementation. The engagement of parliaments will ensure effectiveness, transparency and accountability in the design, implementation and review of the policies and programmes in the context of the Programme of Action.

38. Partnerships with the private sector play an important role for promoting entrepreneurship, generating employment and investment, increasing the revenue potential, developing new technologies and enabling high, sustained, inclusive and equitable economic growth in least developed countries. Good governance at all levels and an enabling business environment will play a key role in this respect.

39. The Programme of Action recognizes that civil society complements government and the private sector in its implementation. Civil society organizations will be involved in policy dialogue, as appropriate, to ensure a participatory and inclusive development process in least developed countries.

40. The international trade and finance architecture should be supportive of and responsive to the special needs and priorities of least developed countries, together with enhanced coordination and coherence among the different policy areas of the international development architecture, including ODA, trade, foreign direct investment, debt and finance, taking also into account new and emerging challenges.

41. Development initiatives, including at the subregional, regional and international levels, such as the Group of 20 (G-20) Seoul Development Consensus for Shared Growth and its Multi-Year Action Plan, are expected to contribute to the attainment of inclusive, sustainable and resilient growth in least developed countries.

42. Least developed countries and their development partners reaffirm their commitment to a comprehensive, result-oriented, enhanced, quantifiable, forward-looking and coherent renewed and strengthened global partnership for least developed countries.

IV. Priority areas for action

43. The actions will be organized by priority areas as:

A. Productive capacity

- Infrastructure
- Energy
- Science, technology and innovation
- Private sector development

B. Agriculture, food security and rural development

C. Trade

D. Commodities

E. Human and social development

- Education and training
- Population and primary health
- Youth development
- Shelter
- Water and sanitation
- Gender equality and empowerment of women
- Social protection

F. Multiple crises and other emerging challenges

- Economic shocks
- Climate change and environmental sustainability
- Disaster risk reduction

G. Mobilizing financial resources for development and capacity-building

- Domestic resource mobilization
- Official development assistance
- External debt
- Foreign direct investment
- Remittances

H. Good governance at all levels

A. Productive capacity

44. Least developed countries' economies feature limited productive capacities, which constrain their ability to produce efficiently and effectively and to diversify their economies. This handicap translates into binding supply constraints and

ultimately into weak export and economic potentials and limited productive employment generation and social development prospects. Building a critical mass of viable and competitive productive capacity in agriculture, manufacturing and services is essential if least developed countries are to benefit from greater integration into the global economy, increase resilience to shocks, sustain inclusive and equitable growth as well as poverty eradication, achieve structural transformation, and generate full and productive employment and decent work for all.

45. The following **goals and targets** may be pursued, in accordance with national development policies and strategies:

(a) Increase significantly the value addition in natural resource-based industries paying special attention to employment generation;

(b) Diversify local productive and export capability with a focus on dynamic value added sectors in agriculture, manufacturing and services;

(c) Significantly increase access to telecommunication services and strive to provide 100 per cent access to the Internet by 2020;

(d) Strive to increase total primary energy supply per capita to the same level as other developing countries;

(e) Significantly increase the share of electricity generation through renewable energy sources by 2020;

(f) Enhance capacities in energy production, trade and distribution with the aim of ensuring access to energy for all by 2030;

(g) Ensure that the least developed countries have significant increase in combined rail and paved road mileage and sea and air networks by 2020.

46. Actions by the least developed countries and their development partners on productive capacities will be along the following lines:

1. Action by least developed countries

(a) Ensure that a productive-capacity development agenda is mainstreamed into national development policies and strategies;

(b) Increase the share of least developed country government spending in productive capacity-building;

(c) Establish or upgrade quality assurance and standards of products and services to meet international standards;

(d) Strengthen the capacity of domestic financial institutions to reach out to those who have no access to banking, insurance and other financial services, including through leveraging the contribution of, among others, micro-finance, micro-insurance, and mutual funds, in creating and expanding financial services targeted to poor and low-income populations, as well as small- and medium-size enterprises;

(e) Foster economic activity by promoting, inter alia, economic clusters, removing obstacles to business and prioritizing domestic and foreign investments, which increases connectedness;

(f) Strengthen programmes for promoting agro-processing industries with value addition as a means to increase agricultural productivity, raise rural incomes and foster stronger linkages between agriculture and industries.

2. Action by development partners

(a) Provide enhanced financial and technical support to least developed countries to develop productive capacities in line with least developed countries' priorities;

(b) Support least developed countries in diversification and value addition by their firms to effectively participate in the global value chains;

(c) Adopt, expand and implement investment promotion regimes, as appropriate, in the form of risk and guarantee schemes and other incentives in favour of their firms seeking to invest in productive capacity development in least developed countries;

(d) Support the development of science and technology to increase agricultural production and productivity;

(e) Support the least developed countries' efforts to develop a sustainable tourism sector, in particular through infrastructure and human capital development, increased access to finance and enhanced access to global tourism networks and distribution channels.

Infrastructure

47. One of the major challenges facing least developed countries is the lack of adequate physical infrastructure, including electricity, transport, information and communications technology (ICT) and water and institutional capacity. Reliable and affordable infrastructure services are essential for efficient operation of existing productive assets and enterprises in least developed countries, attracting new investment, connecting producers to market, assuring meaningful economic development and promoting regional integration. When designed in a regional perspective, infrastructure development could contribute to regional integration and region-wide production.

48. Actions by the least developed countries and their development partners on infrastructure will be along the following lines:

1. Action by least developed countries

(a) Allocate and disburse annually an adequate percentage of the budget for the development and maintenance of infrastructure;

(b) Develop and implement comprehensive national policies and plans for infrastructure development and maintenance encompassing all modes of transportation and ports, communications and energy;

(c) Develop modern ICT infrastructure and Internet access, including expansion into rural and remote areas, including through mobile broadband and satellite connections;

(d) Build and expand broadband connectivity, e-networking and e-connectivity in relevant areas, including education, banking, health and governance;

(e) Promote public-private partnerships for the development and maintenance of transport and ICT infrastructure and their sustainability;

(f) Promote bilateral, subregional and regional approaches to improve connectivity by removing infrastructure bottlenecks.

2. Action by development partners

(a) Provide enhanced financial and technical support for infrastructure development in line with least developed countries' sectoral and development needs and priorities and use concessional funds, where appropriate, to catalyse and leverage other sources of funding for infrastructure development and management;

(b) Support least developed countries' efforts to facilitate the transfer of relevant skills, knowledge and technology for the development of infrastructure under mutually agreed terms;

(c) Actively support private sector investment, including through public-private partnerships and grant/loans blending, for infrastructure development and maintenance in communication and multimodal transport such as railways, roads, waterways, warehouses and port facilities;

(d) Provide assistance to landlocked and small-island least developed countries aimed at addressing the challenges of their remoteness from international markets and lack of infrastructure connectivity.

Energy

49. The levels of production and access to energy in the majority of least developed countries are inadequate, seriously constraining the development of least developed countries. Access to affordable, reliable and renewable energy and related technologies under mutually agreed terms and conditions and the efficient use and distribution of energy will be critically important in enhancing productive capacity, which is a key to achieving sustained economic growth and sustainable development.

50. Actions by the least developed countries and their development partners on energy will be along the following lines:

1. Action by least developed countries

(a) Ensure that the energy sector receives priority in budget allocation;

(b) Adopt integrated energy security development policies, strategies and plans to build a strong energy sector that ensures access to affordable, sustainable and reliable energy for all and promotes sustained, inclusive and equitable economic growth and sustainable development;

(c) Improve efficiency in the generation, transmission and distribution of energy and sustainable use of energy resources;

(d) Expand power infrastructure and increase capacity for energy generation, especially renewable energy which includes, inter alia, hydro power, geothermal, tidal, solar, wind and biomass energy.

2. Action by development partners

(a) Provide enhanced financial and technical support to the least developed countries to improve efficiency in the generation, the transmission and distribution, and the sustainable use of energy resources with the aim of ensuring access to energy for all;

(b) Support least developed countries' efforts to develop the energy sector in generation, distribution and energy efficiency, including in renewable energy, other clean energy sources and natural gas, inter alia, through financial and technical assistance and by facilitating private sector investment, in accordance with national priorities and needs;

(c) Facilitate the transfer of appropriate and affordable technology under mutually agreed terms and conditions for the development of clean and renewable energy technologies in accordance with relevant international agreements.

Science, technology and innovation

51. Science, technology and innovation play an important role in development. All least developed countries are lagging behind in these critical areas which are key drivers for transformation and have great potentials to change the development landscape of least developed countries if developed and harnessed properly. Least developed countries have often not been able to move beyond outdated technologies that characterize their production processes and outputs. Acquiring new technologies and building domestic capacity and a knowledge base to be able to fully utilize acquired technologies and promoting indigenous capacity on a sustainable basis for research and development are needed to enhance productive capacities in least developed countries. Furthermore, development of this sector should help to bridge the digital divide and technology gap in support of rapid poverty eradication and sustainable development.

52. Actions by the least developed countries and their development partners on science, technology and innovation will be along the following lines:

1. Joint actions

Undertake on a priority basis by 2013 a joint gap and capacity analysis with the aim of establishing a Technology Bank and Science, Technology and Information supporting mechanism, dedicated to least developed countries which would help improve least developed countries' scientific research and innovation base, promote networking among researchers and research institutions, help least developed countries access and utilize critical technologies, and draw together bilateral initiatives and support by multilateral institutions and the private sector, building on the existing international initiatives.

2. Action by least developed countries

(a) Build or expand strategic partnerships with a broad range of actors, including the private sector, universities and other research institutions and foundations, in order to support innovation;

(b) Ensure that science and technology are mainstreamed into least developed country national development and sectoral policies;

(c) Ensure that the development of science, technology and innovation receives priority in budget allocation;

(d) Promote investments and engagement in innovative solutions for the development of modern and cost-effective technologies that could be locally adapted, particularly in the fields of agriculture, information and communication, finance, energy, health, water and sanitation and education;

(e) Set up and strengthen, as applicable, institutions and expand the knowledge base to support local, national and regional research and development, science and technology;

(f) Facilitate cooperation and collaboration between research institutions and the private sector, with a view to promoting research and development and innovation in the field of science and technology.

3. Action by development partners

(a) Provide enhanced financial and technical support to least developed country research and development, science and technology, including strengthening national and regional institutions, as appropriate and in line with least developed countries' national development priorities;

(b) Urge World Trade Organization members to continue to implement article 7 of the 2001 Doha Ministerial Declaration on the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and Public Health;

(c) Consider the provision of concessional start-up finance for least developed country firms which invest in new technologies.

Private sector development

53. A dynamic, broad-based, well-functioning and socially responsible private sector is a valuable instrument for increasing investment and trade, employment and innovation, thereby generating economic growth and eradicating poverty and serving as an engine for industrialization and structural transformation. The private sector therefore is a key to sustained, inclusive and equitable economic growth and sustainable development in least developed countries.

54. Least developed countries have recognized the role of the private sector in their development process and have taken a number of measures to improve corporate governance and create an enabling environment for conducting business. Given the nature of least developed countries' economies, the development of small and medium-sized enterprises holds a promising opportunity for the emergence of a vibrant business community in least developed countries. However, structural constraints, particularly infrastructural bottlenecks, and institutional constraints have limited the growth of the private sector in least developed countries.

55. Actions by the least developed countries and their development partners on private sector development will be along the following lines:

1. Action by least developed countries

(a) Continue promoting an enabling environment for private sector development including for small and medium-sized enterprises through a transparent and rule-based regulatory framework;

(b) Promote a dialogue between the private sector and government and strengthen public-private partnerships with a view to ensuring that policies address key constraints, including institutional constraints, to the private sector's contribution to sustainable and inclusive growth, promote corporate social responsibility and make use of potential synergies;

(c) Make efforts to promote the availability of financial services, including banking and insurance, to enhance private sector development and investments across sectors;

(d) Promote women entrepreneurship to make better use of untapped economic potential in least developed countries.

2. Action by development partners

(a) Provide enhanced financial and technical support, and facilitate transfer of technology under mutually agreed terms to least developed countries to remove structural and institutional constraints on the private sector;

(b) Support initiatives to strengthen the institutional and managerial capacities and the productivity of small and medium-sized enterprises in least developed countries to improve their competitiveness.

B. Agriculture, food and nutritional security and rural development

56. Agriculture plays a crucial role in almost all least developed countries, both in promoting food security and as the major economic activity for much of the population, with direct linkages to the eradication of poverty and hunger, rural development and gender equality and empowerment of women, as well as exports, commodity and production diversification and agro-processing capacity. It is only through access to safe and nutritious food that those living in poverty and are most at risk of chronic malnutrition, in particular women, children and the elderly, can improve their health and nutrition status.

57. The agriculture sector in least developed countries faces huge challenges owing to lack of adequate investment in physical infrastructure, scientific and technological development, research and agricultural extension services. Furthermore, agriculture development has been suffering from adverse impacts of climate change, environmental degradation, desertification, land and soil degradation, extreme weather events, floods, droughts and cyclones, deforestation and loss of biodiversity, declining water availability and degrading water quality. Other natural disasters such as earthquakes and tsunamis can also have negative impacts on sustainable agricultural development.

58. New investments are required in regional and national agricultural and fishery research and rural infrastructure, extension of better farming and fishing practices and innovative and sustainable technologies, as well as marketing advice, structured

and effective finance and greater tenure security, including access to and control over land by female farmers irrespective of their marital status.

59. Policies and measures will be pursued in line with the following **targets**:

(a) Make substantial progress towards eradicating hunger by 2020;

(b) Substantially increase investment in rural infrastructure;

(c) Ensure access to safe food and emergency food assistance in all least developed countries.

60. Actions by the least developed countries and their development partners on agriculture will be along the following lines:

1. Joint actions

(a) Promote responsible international investment in agriculture and call for all investors to conduct agricultural practices in accordance with national legislation, taking into account national sovereignty over natural resources, environmental sustainability and the importance of promoting the well-being and improving the livelihood of the local communities and indigenous people, as appropriate;

(b) Further explore the feasibility, effectiveness and administrative modalities of a system of stockholding in dealing with humanitarian food emergencies or as a means to limit price volatility;

(c) Pursue policy options to reduce price volatility, including improved information systems for stocks and production, greater transparency in commodity markets, and free movement of food supplies;

(d) Fulfil in the Doha Development Agenda the 2005 pledge of members of the World Trade Organization to ensure the parallel elimination in agriculture of all forms of export subsidies and disciplines on all export measures with equivalent effect to be completed by the end of 2013.

2. Action by least developed countries

(a) Strengthen institutions, including cooperatives, to boost small-holder farmer food production, agricultural productivity and sustainable agricultural practices;

(b) Provide safety nets to poor small-holder farmers;

(c) Supply critical inputs such as locally adapted High-yielding Varieties of seeds, fertilizers and other services;

(d) Rehabilitate both rural and agricultural infrastructure, reducing post-harvest crop losses and improving village-level storage;

(e) Make rural markets work better for the poor by linking small-scale farmers to markets throughout the food chains, including the provisions of price and other relevant information and improving sanitary and phytosanitary services;

(f) Implement irrigation schemes with a view to strengthening sustainable agriculture systems, increasing agricultural production and improving food security;

(g) Enhance land tenure security, access to irrigation systems, credit, other farm inputs and markets for small-holder farmers;

(h) Formulate and implement, in a participatory manner, effective national plans and policies relating to national food and nutritional security and agricultural and rural development, with clear and achievable targets, including an allocation of at least 10 per cent of government expenditures to agriculture;

(i) Support the establishment and strengthening of transparent, efficient and effective agricultural marketing and export systems, with particular emphasis on market access for small-holder farmers in least developed countries;

(j) Encourage small farmers and pastoralists to change gradually from the production of low-value to high-value products, taking into account specialization, favourable market and infrastructural development conditions and improved access to financial and risk management;

(k) Promote the empowerment of rural women as critical agents for enhancing agricultural and rural development and food and nutritional security and ensuring their equal access to productive resources, land, financing, technologies, training and markets;

(l) Mainstream food and nutritional security in marine and coastal resources management plans and strategies;

(m) Strive for a comprehensive twin-track approach to food security that consists of (i) direct action to immediately tackle hunger in least developed countries; and (ii) medium- and long-term sustainable agriculture, food security, nutrition and rural development policies and programmes to eliminate the root causes of hunger and poverty;

(n) Mainstream programmes to address desertification, land degradation, soil infertility, droughts, floods and salination into national development policy frameworks to encourage resilience.

3. Action by development partners

(a) Provide enhanced financial and technical support for the development of the agricultural sector;

(b) Deliver on commitments made to achieve global food security and sustainable agricultural development, and provide adequate and predictable resources through bilateral and multilateral channels, including the commitments set out in the L'Aquila initiative on global food security;

(c) Support efforts aimed at increasing agricultural production and productivity;

(d) Support least developed countries' efforts to establish or strengthen safety nets such as access to agricultural finance, insurance and other risk-mitigation tools;

(e) Provide resources to the relevant United Nations agencies to expand and enhance food assistance and safety net programmes to address hunger and malnutrition, based on needs;

(f) Support least developed countries' efforts to establish or strengthen agricultural and/or marine research and development institutions, as appropriate, in line with their national priorities, including through collaborative measures, with a view to building long-term institutional capacity;

(g) Provide and support, as appropriate, least developed countries with high-yielding and climate-resilient crop varieties, including saline-, drought- and submersion-compatible species, through transfer of appropriate technology and technical know-how, under mutually agreed terms and conditions;

(h) Support least developed countries to establish and upgrade their own national testing and certification institutions, as appropriate, to be recognized by global Sanitary and Phytosanitary Agreement institutions, and support the participation of least developed countries in regional and global standard-setting;

(i) Support least developed countries' national, regional and international agricultural and fishery research institutions, as appropriate, build capacities in tropical agricultural technologies and strengthen agricultural knowledge and information systems supported by agricultural extension services targeting sustained, inclusive and equitable economic growth and poverty eradication in least developed countries.

C. Trade

61. Trade has an important role in ensuring least developed countries' sustainable economic development. Least developed countries' collective share in international trade has nearly doubled over the past 10 years, but it remains very low, at just over 1 per cent of world merchandise trade, and is highly concentrated on a few export products. Half of least developed countries' exports flow to developing countries.

62. Least developed countries, with support from their development partners, should address supply-side constraints by enhancing productive capacities and reducing constraints on the private sector, as well as building and diversifying their export base.

63. It is essential to seriously work towards creating favourable market access conditions for all products originating in least developed countries, including through the reduction or elimination of arbitrary or unjustified non-tariff barriers and other trade-distorting measures.

64. Regional cooperation, including through regional trade integration and other arrangements, can facilitate least developed countries' development and their beneficial integration into the world economy by, inter alia, increasing the size of markets, improving their competitiveness and enhancing regional connectivity.

65. Policies and measures will be pursued in line with the following **goals and targets**:

(a) Significantly increase the share of least developed countries' trade in global trade with the aim of doubling the share of least developed countries' exports in global exports by 2020, including by broadening least developed countries' export base;

(b) Make substantial efforts for an early and successful conclusion of the Doha Round of trade negotiations with an ambitious, comprehensive, balanced and development-oriented outcome.

66. Actions by the least developed countries and their development partners on trade will be along the following lines:

1. Joint actions

(a) Resist protectionist tendencies and rectify trade-distorting measures, including in agriculture, that are inconsistent with multilateral obligations;

(b) Address non-tariff measures and reduce or eliminate arbitrary or unjustified non-tariff barriers, i.e., those that are not in conformity with World Trade Organization rules; standards and technical regulations must be developed transparently and applied in a non-discriminatory manner, and should be technically justified and not constitute a disguised restriction on international trade;

(c) Realize timely implementation of duty-free quota-free market access, on a lasting basis, for all least developed countries consistent with the Hong Kong Ministerial Declaration adopted by the World Trade Organization in 2005;

(d) Reaffirm the provision of special and differential treatment for least developed countries in the World Trade Organization agreements;

(e) Facilitate and accelerate negotiations with acceding least developed countries based on the accession guidelines adopted by the World Trade Organization General Council in December 2002.

2. Action by least developed countries

(a) Integrate trade and trade capacity-building policies into national development strategies;

(b) Improve productivity and competitiveness and diversify production bases into dynamic new products and services;

(c) Diversify export products and markets to non-traditional destinations;

(d) Improve efficiency, efficacy and transparency of institutions and processes to better facilitate trade and improve standards and quality control.

3. Action by development partners

(a) Support least developed countries' efforts to strengthen their human, institutional and regulatory capacities in trade policy and trade negotiations in areas such as market entry and access, tariffs, customs, competition, investment and technology, and regional integration;

(b) Provide technical and financial support to national and regional projects that are aimed at increasing the productivity, competitiveness and diversification of least developed country economies, including through strengthening the capacity of their trade in goods and services and of least developed countries' firms to integrate into international value chains;

(c) Provide financial and technical support aimed at the diversification of least developed country economies, while providing financial and technical

assistance through appropriate delivery mechanisms to meet their implementation obligations, including fulfilling Sanitary and Phytosanitary Agreement and Agreement on Technical Barriers to Trade requirements, and to assist them in managing their adjustment processes, including those necessary to face the results of most favoured nation multilateral trade liberalization;

(d) Ensure that preferential rules of origin applicable to imports from least developed countries are simple, transparent and predictable and contribute to facilitating market access;

(e) Implement effective trade-related technical assistance and capacity-building to least developed countries on a priority basis, including by enhancing the share of assistance to least developed countries for Aid for Trade and support for the Enhanced Integrated Framework, as appropriate, and strengthening their capacity to access available resources, in support of the needs and demands of least developed countries expressed through their national development strategies;

(f) Provide, in accordance with article 66.2 of the TRIPS Agreement, incentives to enterprises and institutions in developed country member territories for the purpose of promoting and encouraging technology transfer to least developed countries in order to enable them to create a sound and viable technological base;

(g) Support least developed countries' efforts in promoting subregional and regional cooperation, including export promotion and improving regional connectivity through trade-facilitating measures, such as joint projects on customs and border procedures, and insofar as possible transport infrastructure and linkages, telecommunications facilities and energy.

D. Commodities

67. Many least developed countries remain commodity-dependent, with a significant number relying primarily on agriculture or on the extraction of very few natural resources and primary products for export. This makes least developed countries vulnerable to external trade shocks owing to volatility of commodity prices, which also impacts domestic resource mobilization. There is a need for concerted measures and actions to support least developed countries' efforts to reduce commodity dependence, including through the diversification of their export base, and to mitigate and reduce the adverse effects of commodity price volatility.

68. Policies and measures will be pursued in line with the following **goals and targets**:

Broaden least developed countries' economic base in order to reduce commodity dependence.

69. Actions by the least developed countries and their development partners on commodities will be along the following lines:

1. Action by least developed countries

(a) Establish and strengthen, as appropriate, national commodity management strategies to maximize the benefits derived from their resource base;

(b) Adopt and strengthen, as appropriate, sector and commodity-specific policies, measures and strategies to enhance productivity and vertical diversification, ensure value addition and increase value retention.

2. Action by development partners

(a) Assist least developed countries to better mitigate and manage the risks associated with the volatility of commodity prices without distorting market behaviour by strengthening and expanding existing facilities, on a mutually agreed basis;

(b) Support measures by least developed countries, which have and shall freely exercise their full permanent sovereignty over all their wealth, natural resources and economic activities, to enhance corporate transparency and accountability of all companies, taking account of the fundamental principles of domestic law, and take note in this respect of voluntary initiatives, including the Extractive Industries Transparency Initiative;

(c) Support least developed countries in strengthening their capacity to manage their natural resources, including minerals, energy and agriculture, and to diversify their commodity base, including through the transfer of technology under mutually agreed terms and conditions;

(d) Support least developed countries in strengthening effective marketing systems and support frameworks for small commodity producers in least developed countries.

E. Human and social development

70. Least developed countries' greatest assets are their women, men and children, whose potential as both agents and beneficiaries of development must be fully realized. Least developed countries face serious economic, human and social development challenges. The least developed countries will continue to face the significant burden of poverty in coming years unless concrete steps are taken to tackle its root causes in a sustainable way, including by building productive and human capacity.

71. Poverty and hunger are multidimensional problems that pose serious constraints to least developed countries' efforts to make progress in human and social development owing to inability to access essential services such as education, health, water and sanitation and to access productive resources to participate in social, economic and political life and benefit from economic growth. Least developed countries are starkly lagging behind in meeting most of the internationally agreed development goals, including the Millennium Development Goals.

Education and training

72. Although enrolment in primary education has improved, quality and completion rates need to be enhanced and enrolment rates at the secondary and tertiary levels need to increase. In addition, there are still millions of primary-school-age children who are out of school. Although progress has been made towards eliminating gender inequality in primary education, the same is yet to be

achieved at the secondary and tertiary levels. Lack of economic opportunities, coupled with low levels and poor quality of education and lack of appropriate training, are significant causes of youth unemployment in least developed countries.

73. Policy measures on education and training to improve education rates and overall education quality in least developed countries will be pursued in line with the following **goals and targets**:

(a) Ensure universal access to free primary education in least developed countries by increasing the enrolment and retention rates, and also increase access to secondary, tertiary and vocational education and skill development training;

(b) Increase the quality of education and training that is offered at all levels and increase literacy and numeracy rates of adults and children;

(c) Eliminate gender disparities in education and training and ensure equal quality of education between males and females.

74. Actions by the least developed countries and their development partners on education and training will be along the following lines:

1. Action by least developed countries

(a) Mainstream or strengthen, as appropriate, and implement strategies and programmes for national education, technical and vocational education and training;

(b) Ensure access to and quality of education and give greater priority to progression through the education system, especially for women and girls;

(c) Strengthen national education systems, including through better curricula, financing, teacher development and deployment, and improvement in basic infrastructure and providing adequate supplies;

(d) Ensure that formal and informal education systems provide skills training required by the labour market;

(e) Strive for equity by enhancing access to education for the most disadvantaged, and increasing access to education through introducing or strengthening social protection systems, measures and incentives.

2. Action by development partners

(a) Provide financial and technical support for least developed countries to implement their national education plans and programmes, including increased accessibility in rural and remote areas;

(b) Support least developed countries to go beyond Millennium Development Goal targets in education, especially in increasing enrolment and decreasing drop out rates through measures such as abolishing school fees, providing school meals and ensuring that schools have separate sanitation facilities for boys and girls;

(c) Provide support to least developed countries' efforts to train and retain teachers and trainers, particularly in rural and underserved areas, through adequate incentives, as a means to ensure quality education;

(d) Support least developed countries efforts to improve higher educational and technical and vocational education and training;

(e) Continue providing, and encourage, as appropriate, higher education institutes to allocate, places and scholarships for students and trainees from least developed countries, in particular in the fields of science, technology, business management and economics.

Population and primary health

75. Efforts at development of human capacities in least developed countries have been affected by high incidence of poverty, mass unemployment, high population growth rates, poor health and nutrition outcomes, as evidenced by high child and maternal morbidity and mortality rates and the high burden of undernutrition, the prevalence of communicable diseases, including HIV/AIDS, malaria, tuberculosis and polio, and the growing burden of non-communicable diseases.

76. Least developed countries face major challenges in improving the health status of their population, including weak health systems with inadequate human resources, lack of adequate health-care facilities and equipment and supplies, inadequate domestic financing structures, inadequate supplies of medicines and essential drugs and poor infrastructure. There is a need to strive towards ensuring universal access to health-care services by all.

77. Policy measures on population and primary health will be pursued in line with the following **goals and targets**:

(a) Achieve targets under Millennium Development Goals 4 and 5 by 2015 and, building on these, further significantly reduce the infant, under-five and maternal mortality rates and child under-nutrition by 2020;

(b) Provide universal access to reproductive health by 2015, including integrating family planning, sexual health and health-care services in national strategies and programmes;

(c) Achieve targets under Millennium Development Goal 6 by 2015 and, building on this, further reverse the spread of HIV/AIDS and the incidence of malaria and other major diseases.

78. Actions by the least developed countries and their development partners on population and primary health will be along the following lines:

1. Joint actions

Reaffirm the right to use, to the full, the provisions contained in the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), the Doha Declaration on the TRIPS Agreement and Public Health, the decision of the World Trade Organization General Council of 30 August 2003 on the implementation of paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health, and, when formal acceptance procedures are completed, the amendments to article 31 of the Agreement, which provide flexibilities for the protection of public health and, in particular, to promote access to medicines for all and to encourage the provision of assistance to developing countries in this regard. We also call for broad and timely acceptance of the amendment to article 31 of the Agreement on Trade-Related Aspects of Intellectual

Property Rights, as proposed by the World Trade Organization General Council in its decision of 6 December 2005.

2. Action by least developed countries

(a) Take steps to realize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health, including sexual and reproductive health;

(b) Build on effective, multisectoral and integrated approaches for the provision of universal access to reproductive health, including integrating family planning, sexual health and health-care services in national strategies and programmes;

(c) Incorporate into their national development strategies and policies human resource development and planning for population dynamics;

(d) Continue implementing national health development plans, highlighting priority actions to achieve the health-related Millennium Development Goals (4, 5 and 6);

(e) Strengthen the capacity of national health systems, including through the development of medical professionals and health-care workers, to deliver equitable quality health-care services to all and promote the widest possible access to health-care services at the point of use;

(f) Strive to improve the national health system by providing adequate resources as well as incentives to retain the national health workers and consider, where possible, developing a sustainable financing mechanism for the national health system;

(g) Address country-specific high-burden health problems and maintain programmes to reduce vulnerability to HIV/AIDS, malaria and other communicable and non-communicable diseases.

3. Action by development partners

(a) Provide financial and technical support for least developed countries to strengthen their national health systems, in particular health financing systems to improve access to affordable quality primary health-care services;

(b) Work with least developed countries to improve access to medicines, encourage the development of technology and the transfer of technology under mutually agreed terms and conditions, the production of affordable, safe, effective and good quality medicines, fostering the production of innovative medicines, generics, vaccines and other health commodities;

(c) Support least developed countries to develop their capacity to systematically collect and analyse demographic data to be used, inter alia, for designing appropriate national policies.

Youth development

79. About 60 per cent of the population of least developed countries is under the age of 25, compared with 46 per cent in other developing countries. Large youth populations are an asset for least developed countries, and should have the

opportunity to participate fully in economic, social and political life. Youth populations' potential should be maximized, including through full access to education and productive employment.

80. Policy measures on youth development will be pursued in line with the following **goals and targets**:

(a) Strive to ensure the full and effective participation of youth in the life of society and in decision-making processes;

(b) Build the educational and skills capacity of youth and achieve full and productive employment and decent work;

(c) Enhance youth participation in the economy through improving access to vocational education, volunteering and employment.

81. Actions by the least developed countries and their development partners on youth development will be along the following lines:

1. Action by least developed countries

(a) Develop and pursue suitable strategies for the effective participation of youth in economic, social and political life and facilitate their interaction among themselves and with local and national authorities;

(b) Develop policies and programmes for supporting youth access to secondary and higher education, vocational training and productive employment, and health-care services, especially to young women and girls;

(c) Support the post-primary skills development, volunteering, internship and apprenticeship programmes, in consultation with the private sector and training institutions;

(d) Foster youth entrepreneurship, including through training and assistance initiatives, with a particular focus on the most disadvantaged and youth in post conflict situations;

(e) Promote personal financial management education for youth and facilitate their access to appropriate financial services.

2. Action by development partners

(a) Provide financial and technical assistance to support least developed countries' policies and programmes that provide economic opportunities and productive employment to youth;

(b) Support formal and non-formal education systems in least developed countries for capacity-building and skill development of youth and adolescent through financial and technical assistance;

(c) Promote youth exchange programmes, including through virtual campuses and other networking mechanisms.

Shelter

82. People in least developed countries often lack access to decent and affordable housing and sufficient tenure security, including access to land and basic

infrastructure, both in rural and urban areas. Much of the urban population in least developed countries live in slums that often lack basic sanitation. The lack of basic services poses a continuous health threat. Providing shelter to people living in rural areas is one of the challenges in least developed countries.

83. Policy measures on shelter will be pursued in line with the following **goals and targets**:

Increase access to affordable housing, land and housing-related infrastructure and basic services while achieving a significant improvement in the lives of slum-dwellers and rural poor.

84. Actions by the least developed countries and their development partners on shelter will be along the following lines:

1. Action by least developed countries

(a) Develop and implement local, national, regional plans and strategies, to promote access to land, as per national legislation, housing and basic services;

(b) Strengthen government housing agencies, including at the local level, in order to manage the housing and infrastructure sector and land administration more effectively;

(c) Create a supportive institutional, regulatory and policy environment for investment by the private sector in housing and related infrastructure, with a particular focus on the provision of low-cost housing;

(d) Seek ways of decongesting existing slums, preventing the growth of new ones and improving remaining slum housing stock;

(e) Strengthen national legislation to improve property rights of slum-dwellers and rural poor.

2. Action by development partners

(a) Provide financial and technical support to least developed countries' efforts to improve access to land, as per national legislation, housing and basic services, taking into account the special needs for reconstruction of least developed countries devastated by natural and man-made disasters and conflicts;

(b) Support least developed countries in developing capabilities and capacities of national and local governments and institutions, including for the delivery, quality monitoring, financing, and operation and maintenance of housing and basic services;

(c) Support least developed countries, including through technology transfer under mutually agreed terms and conditions, as well as financial and technical assistance, for low-cost building, utilizing local contents and materials.

Water and sanitation

85. Significant portions of the populations in the least developed countries lack access to safe drinking water and basic sanitation, which are fundamental to health, poverty eradication, environment protection, growth and development. Increasing

access to safe drinking water and basic sanitation through prioritizing integrated water and sanitation strategies is of significant importance in this regard.

86. Policy measures on water and sanitation will be pursued in line with the following **goals and targets**:

Halve by 2015 the proportion of people without sustainable access to safe drinking water and basic sanitation and strive to provide sustainable access to safe drinking water and basic sanitation to all by 2020.

87. Actions by the least developed countries and their development partners on water and sanitation will be along the following lines:

1. Action by least developed countries

(a) Develop, mainstream or strengthen, as appropriate, integrated strategies and programmes to strive to ensure sustainable access by all to safe drinking water and basic sanitation by 2020;

(b) Prioritize provision of water and basic sanitation in the country's national development plans;

(c) Enhance water efficiency and water productivity and ensure more equitable and safe provision of basic water and sanitation services to rural areas and disadvantaged populations, including persons with disabilities;

(d) Improve the institutional, regulatory and policy environment in least developed countries to promote private investment in the water and sanitation sector, including in small-scale projects in rural and remote communities;

(e) Strengthen integrated waste management systems as well as improve wastewater collection and treatment systems.

2. Action by development partners

(a) Provide financial and technical support to least developed countries to improve and expand water and sanitation provision, including water pipelines and sewage networks, as well as support to strengthen the capacity of local institutions for service delivery, quality monitoring, financing, operations and maintenance;

(b) Support least developed countries' efforts to provide services to the unserved, utilizing appropriate technologies and levels of service, and strengthen the capacity of national and local institutions for service delivery, quality monitoring, financing, operations and maintenance;

(c) Help least developed countries preserve and develop water sources, manage water sheds and enhance water productivity, including through subregional and regional collaborations;

(d) Support transfer of technology under mutually agreed terms for water treatment and waste management;

(e) Support, as appropriate, partnerships and least developed countries' initiatives to improve hygiene and increase the coverage of basic sanitation, especially for the poor, including the Sanitation and Water for All partnership and "sustainable sanitation drive: the five-year drive to 2015".

Gender equality and empowerment of women

88. Gender equality and the empowerment of women and girls are central to achieving better development outcomes, including all the internationally agreed development goals as well as the Millennium Development Goals. Least developed countries have made encouraging progress on some aspects of gender equality and empowerment of women, such as in primary education and women's representation in parliament. However, further efforts are needed to end gender inequalities in access to education, health care, water and sanitation, economic opportunities such as employment, and productive resources, as well as to end gender-based violence. Gender equality and empowerment of women are essential to make progress towards social and human development and eradication of poverty in least developed countries.

89. Policy measures on gender equality and the empowerment of women will be pursued in line with the following **goals and targets**:

(a) Achieve equal access of women and girls to education, basic services, health care, economic opportunities, and decision-making at all levels;

(b) Take steps to realize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health, including sexual and reproductive health;

(c) Accelerate efforts to promote women's rights and gender equality, including women with disabilities.

90. Actions by the least developed countries and their development partners on gender equality and empowerment of women will be along the following lines:

1. Joint actions

Support relevant United Nations agencies with a mandate in gender equality and women's empowerment, particularly UN-Women, in their efforts to improve coordination and accountability of the United Nations system in this area.

2. Action by least developed countries

(a) Establish and continue implementing national development plans to take account of the needs of women and girls and actively commit to achieve all the Millennium Development Goals, particularly 3, 4 and 5;

(b) Provide women and girls with full access to education and training, basic services, health care and economic opportunities, including ownership and control over land and other forms of property, inheritance, financial services and social protection;

(c) Welcoming the Secretary-General's Global Strategy on Women's and Children's Health, as well as other national, regional and international initiatives in this regard, strengthen support to maternal health and increase access to family planning resources for women, men and young people;

(d) Take resolute action against violence, abuse and discrimination to ensure that women and girls have the full enjoyment of all human rights and can attain the highest living standards possible and equal participation in the economic, social and political life of their communities;

(e) Strengthen the role of relevant national mechanisms and scale up resources for gender equality and empowerment of women;

(f) Promote effective representation and participation of women in all spheres of decision-making, including the political process at all levels.

3. Action by development partners

(a) Provide financial and technical support for least developed countries to implement policies and programmes on gender equality and empowerment of women and girls, including those that achieve the Millennium Development Goals;

(b) Support least developed countries in the implementation of policies and programmes that enhance women's economic and income-generating opportunities, productive employment and access to productive resources.

Social protection

91. Social protection has both short- and long-term benefits to sustainable economic growth, poverty eradication and social stability. Social protection systems, including cash transfers, public work programmes, and unemployment benefits, protect the poor and support growth, employment and broader economic resilience. These systems act as stabilizers for the economy, bolster the resilience of the poor and help prevent people from falling into poverty.

92. Policy measures on social protection will be pursued in line with the following **goals and targets**:

Enhance social protection systems to improve the resilience of all, including poor and disadvantaged groups.

93. Actions by the least developed countries and their development partners on social protection will be along the following lines:

1. Joint actions

Facilitate sharing of experiences and best practices between countries.

2. Action by least developed countries

(a) Mainstream social protection into the national development strategies and strive to strengthen country-led social protection policies and programmes;

(b) Implement social protection policies by ensuring allocation of adequate resources, capacity-building and appropriate financial infrastructure for the functioning of social protection systems such as cash transfers with maximum efficiency.

3. Action by development partners

Provide financial and technical support to least developed countries to develop and implement social protection policies and programmes, especially for poor and disadvantaged groups.

F. Multiple crises and other emerging challenges

94. Least developed countries continue to be vulnerable to a variety of shocks, including food, fuel, financial and economic crises, and natural disasters, with least developed countries having to confront challenges posed by climate change and some by conflicts that have eroded some of the development gains made by least developed countries over the last decade. Securing equitable, inclusive, and sustainable economic growth and development in least developed countries requires building their resilience to withstand crises and emerging challenges and the impact of climate change.

95. The following **goals and targets** will be pursued in accordance with least developed countries' national development policies and strategies:

(a) Build the resilience of least developed countries to withstand economic shocks and to mitigate their adverse effects;

(b) Strengthen least developed countries' ability to withstand and overcome the adverse effects of climate change, enhance sustainable growth and protect biodiversity;

(c) Build the resilience of least developed countries to withstand natural hazards in order to reduce the risk of disasters.

Economic shocks

96. The ongoing impact of the economic and financial crisis demonstrates the need for appropriate regional and international support to be deployed in a timely and targeted manner to complement least developed countries' efforts aimed at building resilience in the face of economic shocks and mitigating their effects. There is therefore a need for using existing crisis mitigation facilities and measures for targeted, timely and adequate support to least developed countries. The human costs of these shocks also need to be addressed.

97. General Assembly resolution 64/291 of 27 July 2010 on human security is noted.

98. Actions by the least developed countries and their development partners on economic shocks will be along the following lines:

1. Joint actions

Adopt and implement policies and regulations to guide and make the private sectors responsible players.

2. Action by least developed countries

(a) Develop and strengthen national risk mitigation strategies to reduce their vulnerabilities to economic shocks;

(b) Set up national crisis resilience and mitigation facilities to reduce their vulnerabilities to the impact of economic shocks.

3. Action by development partners

(a) Provide financial and technical support for least developed countries' risk mitigation strategies, such as national facilities for crisis mitigation and resilience, to strengthen their capacity to respond to the effects of economic shocks;

(b) Continue to support the International Monetary Fund (IMF), the World Bank and regional development banks' schemes and facilities to provide concessional lending and grants to least developed countries, in accordance with these institutions' own rules and procedures.

Climate change and environmental sustainability

99. Climate change disproportionately affects the socio-economic development of least developed countries, considering that they have contributed least to the problem, and also threatens to reverse some of the development gains that have been achieved to date. Some least developed countries have been compelled to divert resources away from other broader development goals to overcome the adverse impacts of climate change. Least developed countries need additional, predictable and adequate technical and financial support for climate change adaptation and mitigation in line with international commitments. Progress has been achieved in this regard under the United Nations Framework Convention on Climate Change (UNFCCC) through the adoption of decisions at the sixteenth Conference of the Parties to the Convention in Cancun, Mexico, in 2010.

100. In the implementation of this section of the Programme of Action there is a need to bear in mind the provisions of UNFCCC, including the acknowledgement that the global nature of climate change calls for the widest possible cooperation by all countries and their participation in an effective and appropriate international response, in accordance with their common but differentiated responsibilities and respective capabilities and their social and economic conditions.

101. The decisions of the Conference of the Parties also invited to undertake measures to enhance understanding, coordination and cooperation with regard to climate change-induced displacement, migration and planned relocation, where appropriate, at national, regional and international levels.

102. New opportunities need to be explored for least developed countries to enhance sustained economic growth and sustainable development regarding industrialization, agriculture and services, forestry, fisheries, energy and other infrastructure, technologies and investments. They can enable least developed countries to leapfrog onto a sustainable development path and be competitive in emerging economic sectors.

103. Actions for climate change mitigation and adaptation and environmental sustainability will be based on least developed country-specific objectives defined in Agenda 21, the Johannesburg Plan of Implementation and Millennium Development Goal 7, as well as commitments from multilateral environmental agreements.

104. Actions by the least developed countries and their development partners on climate change and environmental sustainability will be along the following lines:

1. Action by least developed countries

(a) Mainstream and implement national adaptation programmes of action (NAPAs), medium and long-term national adaptation plans and nationally appropriate mitigation actions (NAMAs), and integrate these into national development plans;

(b) Build and strengthen national capacity to access and efficiently absorb relevant funding mechanisms;

(c) Strive to ensure that development plans and programmes integrate adaptation considerations, with the aim to minimize the impact of climate change on livelihoods;

(d) Develop and implement national strategies for sustainable use, preservation and protection of the national environmental resources;

(e) Develop or update, as appropriate, and implement national action plans stemming from biodiversity-related conventions;

(f) Mainstream policies dealing with climate change, biodiversity conservation and sustainable use of the ecosystem, including protection and sustainable management of forests through afforestation and preventing deforestation and illegal logging, into national development policies and strategies, particularly those dealing with poverty eradication and economic sectors;

(g) Take measures to mainstream sustainable management of marine biodiversity and ecosystems.

2. Action by development partners

(a) In line with international conventions and agreements, provide adequate financial and technical assistance and support, as appropriate, to least developed countries to access appropriate, affordable and sustainable technologies needed for the implementation of NAPAs and NAMAs and the transfer of such technologies under mutually agreed terms;

(b) Facilitate least developed countries' access to required resources from different environment and climate funds, including the Global Environment Facility (GEF);

(c) Provide financial and technical assistance and facilitate technology transfer under mutually agreed terms to least developed countries' efforts to develop and implement national strategies for sustainable use, preservation and protection of the national environmental resources and the sustainable management of marine biodiversity and ecosystems in line with their broader sustainable development strategies;

(d) Replenish and expedite, as appropriate, the disbursement of funds for adaptation to least developed countries under UNFCCC, including the Least Developed Countries Fund, the Adaptation Fund, and other funds disbursed through other global and bilateral programmes;

(e) Accelerate the legal and institutional arrangements for the establishment and full operationalization of the Green Climate Fund, as part of the implementation package included in the decisions adopted during the sixteenth Conference of the

Parties to the United Nations Framework Convention on Climate Change in Cancun, Mexico, in 2010;

(f) Implement measures to promote and facilitate clean development mechanism projects in least developed countries to enable them to harness benefits of mitigation of climate change for sustainable development;

(g) Help least developed countries address the challenges of livelihood and food security and health of the people affected by the adverse impact of climate change and respond to the needs of the people displaced as a result of extreme weather events, where appropriate, at national, regional and international levels;

(h) Support enhancing the capacity of meteorological and hydrological services of least developed countries;

(i) Assist least developed countries to enhance capacities in clean energy production, trade and distribution, including renewable energy development.

Disaster risk reduction

105. The scale and impact of natural disasters has increased over recent decades, threatening hard-won development gains.

106. Changing demographics and poor technological and socio-economic conditions, unplanned urbanization, development within high-risk zones, underdevelopment and poor infrastructure, weak adaptive capacity, environmental degradation, climate variability, climate change, exposure to geological hazards, competition for scarce resources, and the impact of epidemics such as HIV/AIDS, malaria and tuberculosis all increase the vulnerability of least developed countries to natural hazards.

107. Least developed countries, given their structural constraints and multiple vulnerabilities, often bear a disproportionately heavy impact of these hazards and face the most daunting reconstruction challenges. Increased efforts are needed to reduce disaster losses and to implement the Hyogo Framework for Action 2005-2015 and its successor Framework or agreement.

108. Actions by the least developed countries and their development partners on disaster risk reduction will be along the following lines:

1. Action by least developed countries

(a) Take appropriate and effective measures, including public awareness and preparedness, to reduce disaster risk for the protection of people, infrastructure and other national assets from the impact of disasters in line with the Hyogo Framework for Action;

(b) Promote coherence between disaster risk reduction and climate change adaptation policies and programmes, including through integrating risk reduction into national adaptation programmes of action (NAPAs) and medium and long-term development planning;

(c) Encourage the decentralization of responsibility and resources for disaster risk reduction, where appropriate, and encourage community participation, voluntary actions, awareness-raising and disaster preparedness in risk reduction programmes to better meet local needs for disaster risk reduction;

(d) Develop and strengthen, as appropriate, risk mitigation strategies and strengthen social protection policies and programmes that take account of natural disasters;

(e) Integrate risk reduction principles into all post-disaster recovery and reconstruction.

2. Action by development partners

(a) Provide financial and technical assistance to least developed countries to support their disaster risk reduction, emergency preparedness, and post-disaster reconstruction efforts, and, in this regard, strengthen sharing of knowledge and expertise as well as transfer of technology under mutually agreed terms to least developed countries;

(b) Support least developed countries to strengthen their capacity to reduce their vulnerability to natural disasters and to benefit from regional and international early warning systems and other information-sharing mechanisms.

G. Mobilizing financial resources for development and capacity-building

109. The lack of financial resources is one of the biggest constraints facing least developed countries to achieving sustained, inclusive and equitable growth and sustainable development and progress towards graduation. The low levels of per capita income, domestic savings and investment and a small tax base limits domestic resources. There is therefore a high reliance on external financial resources, including ODA, foreign direct investment, concessional lending and private flows such as remittances. Many least developed countries have benefited from debt relief measures under the HIPC and MDRI Initiatives. The impact of the world economic and financial crisis, combined with food and fuel crises, has undermined development efforts of least developed countries.

Domestic resource mobilization

110. There is a need for least developed countries to make substantial efforts to effectively mobilize domestic resources, build up financial infrastructure and capacities, and put in place appropriate regulatory measures and institutions. However, there is a limited scope to meet the multiple development finance requirements of least developed countries with their narrow economic bases, widespread poverty and underdeveloped private sector.

111. Policies and measures will be pursued in line with the following **goals and targets**:

(a) Enhance the mobilization of domestic resources, including by raising domestic savings, increasing tax revenue and strengthening institutional capacity;

(b) Reduce corruption and increase transparency at all levels.

112. Actions by the least developed countries and their development partners on domestic resource mobilization will be along the following lines:

1. Action by least developed countries

(a) Continue taking measures to create conditions for attracting and sustaining investments and mobilizing domestic savings, both public and private;

(b) Promote a dynamic, inclusive, well-functioning and socially responsible private sector to contribute towards generating economic activities;

(c) Develop or strengthen, as appropriate, an inclusive, sound and well regulated financial system to encourage domestic savings and investment and to improve access of small businesses and the poor and disadvantaged, particularly women and youth, to financial services such as, but not limited to, microfinance, including microcredit and micro-insurance;

(d) Continue undertaking necessary fiscal reforms, as appropriate, to build effective, transparent, fair and accountable national tax and financial management systems in least developed countries, and identify and increase access to new revenue streams, and, where appropriate, expand the tax bases;

(e) Implement measures to curtail illicit financial flows at all levels, enhance disclosure practices and promote transparency in financial information. In this regard, strengthening national and multinational efforts to address this issue is crucial, including support to least developed countries and technical assistance to enhance their capacities. Additional measures should be implemented to prevent the transfer abroad of stolen assets and to assist in the recovery and return of such assets, in particular to their countries of origin, consistent with the United Nations Convention against Corruption;[1]

(f) Enhance disclosure practices and transparency in both source and destination countries and cooperate in efforts to reduce illicit financial flows, tax evasion and corruption.

2. Action by development partners

(a) Support least developed countries to build capacity in their efforts to raise domestic resources through revenue-generation and financial sector reforms, in particular through the building of transparent, accountable and fair national tax and financial management systems;

(b) Support least developed countries in the development of an efficient, effective, well-functioning and socially responsible private sector and productive capacity, and support least developed countries to develop their capacity to benefit from private sector investments, including public-private partnership and venture capital operations, to reduce the resource gap, through the provision of financial, technical and institutional assistance;

(c) Eliminate safe havens that create incentives for transfer abroad of stolen assets and illicit financial flows;

(d) Assist in the recovery and return of stolen assets to the countries of origin, consistent with the United Nations Convention against Corruption;

(e) Enhance disclosure practices and transparency in both source and destination countries and cooperate in efforts to reduce illicit financial flows.

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[1] United Nations, *Treaty Series*, vol. 2349, No. 42146.

Official development assistance

113. ODA flows went up from US$ 12 billion to US$ 38 billion in the period from 2001 to 2008, but delivery was modest compared to least developed countries' structural constraints, multiple vulnerabilities and needs.

114. There is a clear need for much more determined efforts by developed countries to fulfil, and, where possible, enhance, their ODA commitments to least developed countries.

115. Policies and measures will be pursued in line with the following **goals and targets**:

(a) Ensure the fulfilment of all ODA commitments to least developed countries;

(b) Ensure the alignment of aid with least developed countries' national priorities and increase the alignment of aid with least developed countries' national systems and procedures.

116. Actions by the least developed countries and their development partners on ODA will be along the following lines:

1. Action by least developed countries

(a) Integrate and align ODA within their national plans and priorities;

(b) Use aid to achieve the overall development goals contained in the Programme of Action;

(c) Build synergies among all forms of financing for development to enhance quantity and quality of support for development effectiveness;

(d) Enhance aid transparency and combat corruption by making information on aid quantities, sources and uses publicly available.

2. Action by development partners

(a) Donor countries will implement the following actions that they committed to at the Third United Nations Conference on the Least Developed Countries as soon as possible:

(i) Donor countries providing more than 0.20 per cent of their GNP as ODA to least developed countries: continue to do so and maximize their efforts to further increase ODA to least developed countries;

(ii) Other donor countries which have met the 0.15 per cent target: undertake to reach 0.20 per cent expeditiously;

(iii) All other donor countries which have committed themselves to the 0.15 per cent target: reaffirm their commitment and undertake either to achieve the target by 2015 or to make their best efforts to accelerate their endeavours to reach the target;

(iv) During the period of the Programme of Action, the other donor countries: exercise individual best efforts to increase ODA to least developed countries with the effect that collectively their assistance to least developed countries will significantly increase;

(v) Donor countries should review their ODA commitments in 2015 and consider further enhancing the resources for least developed countries;

(b) Provide least developed country Governments with timely information in a transparent manner on annual commitments and disbursements, in order to assist least developed countries in planning their national development policies and strategies;

(c) Use country systems as the first option for aid programmes in support of activities managed by the public sector. Should donors choose to use another option and rely on aid delivery mechanisms outside country systems (including parallel project implementation units), they will transparently state the rationale for this and will review their positions at regular intervals. Where use of country systems is not feasible, donors will establish additional safeguards and measures in ways that strengthen rather than undermine country systems and procedures;

(d) Align aid with national priorities and strengthen capacity development in accordance with the principles of national ownership and leadership;

(e) Enhance the quality of aid by strengthening national ownership, alignment, harmonization, predictability, mutual accountability and transparency, and results-orientation, in line with the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action;

(f) Improve donor coordination and harmonization to avoid fragmentation and duplication;

(g) Continue to make progress on untying aid as encouraged by the 2001 OECD/Development Assistance Committee recommendation on untying ODA to the least developed countries;

(h) Align the allocation of ODA to least developed countries' priorities with particular focus on productive capacity development, as appropriate, in order to achieve sustained, inclusive and equitable economic growth and sustainable development;

(i) Explore new innovative finance mechanisms and strengthen and scale up existing ones, where appropriate, given their potential to contribute to the development of least developed countries. Such voluntary mechanisms should be effective and aim to mobilize resources that are stable and predictable, which should supplement, and not be a substitute for, traditional sources of finance and be disbursed in accordance with the priorities of least developed countries and not unduly burden them.

External debt

117. The Heavily Indebted Poor Countries (HIPC) Initiative, the Multilateral Debt Relief Initiative (MDRI) and bilateral donors have provided substantial debt relief to 38 countries, including 25 least developed countries that have reached the completion point under the HIPC Initiative, which has considerably reduced their debt vulnerability and enabled them to increase their investments in social services. In spite of these international efforts, many least developed countries still struggle with a high debt burden. Debt service takes up a large part of their scarce budgetary resources, representing an obstacle for economic growth, poverty eradication and the achievement of internationally agreed development goals, including the

Millennium Development Goals. The situation demands the continued implementation of existing mechanisms. Long-term sustainability of debt depends on, inter alia, responsible lending and borrowing by all creditors and debtors, sustainable economic growth, structural transformation in least developed countries and enhanced market prospects for least developed countries.

118. Policies and measures will be pursued in line with the following **goals and targets**:

(a) Achieve sustainable debt levels in all least developed countries, bearing in mind least developed countries' special development needs;

(b) Remain vigilant in monitoring the debt situation of least developed countries and continue to take effective measures within the existing frameworks;

(c) Provide specific debt relief measures for least developed countries that are not HIPC countries on a case-by-case basis.

119. Actions by the least developed countries and their development partners on debt relief will be along the following lines:

1. Joint actions

Further ensure the provision of debt relief by all countries taking part in the HIPC Initiative, including non-Paris Club creditors, especially in countries where a large proportion of debt is not debt owed to Paris Club creditors.

2. Action by least developed countries

Promote and pursue responsible borrowing and public debt management policies in order to avoid an unsustainable debt burden.

3. Action by development partners

(a) Provide full and timely financing for the implementation of the HIPC Initiative and MDRI, including for the remaining eligible least developed countries in completing the HIPC initiative process;

(b) Strive to ensure that resources provided for debt relief under the HIPC Initiative and MDRI do not detract from ODA resources intended to be available for least developed countries;

(c) Further explore, where appropriate and on a mutually agreed, transparent, and case-by-case basis, the use of new and improved debt instruments and innovative mechanisms such as debt swaps;

(d) Consider taking additional measures and initiatives aimed at ensuring long-term debt sustainability through increased grant-based and other forms of concessional financing, including through multilateral institutions;

(e) Emphasize the need for coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, while noting also that least developed countries can seek to negotiate, as a last resort, on a case-by-case basis and through existing frameworks, agreements on temporary debt standstills between debtors and all creditors in order to help mitigate the adverse impacts of the crisis and stabilize negative macroeconomic developments.

Foreign direct investment

120. Long-term private international capital flows, particularly foreign direct investment, have a complementary and catalytic role to play in building and strengthening productive capacity as they lead to tangible and intangible benefits, including export growth, technology and skills transfer, employment generation and poverty eradication. Policies to attract and retain foreign investment are essential components of national development strategies. In this context, a stable economic, legal and institutional framework is crucial in order to attract foreign direct investment and promote sustainable development through investment. A supportive international environment is important to this end.

121. Policies and measures will be pursued in line with the following **goals and targets**:

(a) Attract and retain increased foreign direct investment in least developed countries, especially with the aim of diversifying the production base and enhancing productive capacity;

(b) Enhance initiatives to support investment in least developed countries.

122. Actions by the least developed countries and their development partners on foreign direct investment will be along the following lines:

1. Joint actions

Promote strategic and regulatory frameworks for foreign direct investment and other resource flows in this sector that include vital policy areas such as infrastructure development, trade and trade facilitation, research and development and transfer of technology.

2. Action by least developed countries

(a) Continue strengthening the national policy and regulatory framework for stimulating foreign investment in productive sectors, by, inter alia, removing barriers to investment, securing contract enforcement and promoting respect for property rights, strengthening equitable and efficient taxation systems and providing accurate information about investment conditions and opportunities in least developed countries and promote public-private partnership in this respect;

(b) Identify priority areas for investment and assess domestic capacity, resources and the extent of international investment and support needed;

(c) Establish a one-window facility for registration and oversight of new and existing foreign direct investment and other external financial flows along with necessary institutional infrastructure.

3. Action by development partners

(a) Set up and strengthen, as appropriate, initiatives to support investment in least developed countries such as insurance, guarantees and preferential financing programmes and private enterprise funds for investment in least developed countries focusing in particular on sectors that are needed to build up a diversified production base and encourage linkages with domestic production activities as well as employment creation;

(b) Support capacity-building in least developed countries, and at the regional level, as appropriate, aimed at improving their abilities to attract foreign direct investment, including the ability to negotiate mutually beneficial investment agreements and disseminate information about investment opportunities in least developed countries;

(c) Support and implement initiatives aimed at encouraging investment in least developed countries, such as export credits, risk management tools, co-financing, venture capital and other lending instruments, business development services and feasibility studies;

(d) Strengthen partnership programmes for technology transfer under mutually agreed terms by fostering linkages between foreign and domestic firms.

Remittances

123. Remittances are significant private financial resources for households in countries of origin of migration. There is a need for further efforts to lower the transaction costs of remittances and create opportunities for development-oriented investment, bearing in mind that remittances cannot be considered as a substitute for foreign direct investment, ODA, debt relief or other public sources of finance for development.

124. Policies and measures will be pursued in line with the following **goals and targets**:

Reduce the transaction cost of remittance flows and foster the development impact of remittances.

125. Actions by the least developed countries and their development partners on remittances will be along the following lines:

1. Action by least developed countries

(a) Make efforts to improve access to financial and banking services for easy transaction of remittances;

(b) Simplify migration procedures to reduce the cost of outward migration;

(c) Take appropriate measures to better utilize knowledge, skills and earnings of the returning migrants;

(d) Provide necessary information, as available, to workers seeking foreign employment.

2. Action by development partners

(a) Resist unfair and discriminatory treatment of migrant workers and the imposition of unreasonable restrictions on labour migration in order to maximize the benefits of international migration, while complying with the relevant national legislation and applicable international instruments;

(b) Consider developing, where appropriate and in accordance with domestic laws, a system of short-term migration, including workers from least developed countries;

(c) Remove unnecessary restrictions on outward remittances and support the lowering of transaction costs;

(d) Consider supporting the least developed countries in establishing the International Migrants Remittance Observatory, on a voluntary basis.

H. Good governance at all levels

126. Good governance and the rule of law at the local, national and international levels are essential for sustained, inclusive and equitable economic growth, sustainable development and the eradication of poverty and hunger. They are also essential for the achievement of the commitments embodied in this Programme of Action.

127. Many least developed countries have made progress over the last decade in good governance, the rule of law, the protection and promotion of human rights, and democratic participation. This progress needs to be further enhanced and the governance issues at hand be given further priority.

128. Sustainable development in least developed countries is closely linked to peace and security. Conflict-affected least developed countries require context-specific approaches to address poverty, security and governance in an integrated manner. Progress in achieving internationally agreed development goals, including the Millennium Development Goals, and towards sustained, inclusive and equitable economic growth and sustainable development has been slowest in least developed countries affected by conflicts. Poverty and hunger are also among the causes of conflict in least developed countries. Conflict resolution and peace processes should be nationally owned and led. Appropriate national policies and strategies will be required to promote confidence-building, conflict prevention and peaceful settlement of disputes. Targeted national policies and assistance and international support measures are required for least developed countries affected by conflict to address the challenges related to peacebuilding, nation building, reconstruction and rehabilitation and to improve and strengthen governance as per their request. The least developed countries that are associated with the Dili Declaration of April 2010 regard it as a basic framework for them to address post-conflict challenges.

129. Policies and measures will be pursued in line with the following **goals and targets**:

(a) Strengthen good governance, the rule of law, human rights, gender equality and empowerment of women, and democratic participation, including by enhancing the role of parliaments;

(b) Strengthen and effectively implement measures to prevent corruption and to increase transparency of budgets and expenditure;

(c) Enhance the institutional capacity of least developed countries to ensure good governance;

(d) Ensure that resources to least developed countries are provided and used in a predictable, transparent and timely manner;

(e) Provide continued support for strengthened and effective voice and participation of least developed countries in relevant international forums;

(f) Build durable peace and ensure stability, security and sustainable and inclusive development in least developed countries.

130. Actions by the least developed countries and their development partners on governance will be along the following lines:

1. Action by least developed countries

(a) Promote and respect all internationally recognized human rights, including the right to development;

(b) Continue efforts to establish or strengthen, as appropriate, an effective, fair and stable institutional, legal and regulatory framework in order to strengthen the rule of law;

(c) Consider ratifying or acceding to the United Nations Convention against Corruption as a matter of priority and implement anti-corruption laws and regulations consistent with the Convention;

(d) Continue reforming the public sector to increase the efficiency and transparency of service delivery and improve its human and institutional capacity, including statistical capacity;

(e) Implement greater transparency in public financial management, including public disclosure of revenues, budgets, expenditures, procurement and audits and improving parliamentary oversight of public financial management;

(f) Promote effective participation of all stakeholders and government accountability at all levels by strengthening the roles of parliament, civil society, the independent media, political parties and other democratic institutions and processes, as appropriate, including in relation to the preparation, the implementation and the monitoring of national development policies and plans, while ensuring that all stakeholders abide by the national legislation and adhere to the rule of law;

(g) Foster just, transparent and well-functioning government accountable to the people and promote an accessible and independent judicial system;

(h) Promote coherence across economic, social and environmental policies, and also promote the coherent use of resources to ensure an environment conducive to sustainable development;

(i) Promote accountability of all development actors that receive funds for development activities through a mechanism of public disclosure of their funding sources as well as financial auditing;

(j) Strengthen efforts to fight corruption, bribery and money-laundering, the illegal transfer of funds and other illicit activities by strengthening anti-corruption laws and regulations and their effective application;

(k) Integrate conflict prevention and resolution through peaceful means, peacebuilding and nation building, as well as national reconciliation strategies, into national development plans, as appropriate;

(l) Promote policies and intensify efforts to achieve equal participation of women and men at all levels in the prevention and resolution of conflicts, reconciliation and peacebuilding processes;

(m) Pursue broad-based and inclusive socio-economic development policies and programmes with a special focus on eradicating poverty and hunger and generating productive employment and decent work for all, in particular women and youth.

2. Action by development partners

(a) Support least developed countries' efforts to develop their human and institutional capacities for good governance;

(b) Support least developed countries to strengthen national statistical capacity to design programmes and policies for sustainable development and effectively monitor the implementation of this Programme of Action;

(c) Provide least developed country Governments with timely information in a transparent manner on annual commitments and disbursements, to enable accurate budgeting, accounting and auditing in least developed countries;

(d) Promote policy coherence and coordination of international financial, trade and development institutions, processes and mechanisms, taking into account the diversified and special development needs and challenges of least developed countries;

(e) Provide continued support for strengthened and effective voice and participation of least developed countries in international dialogue and action on development, as well as in decision- and rule-making and standard- and norm-setting in all areas affecting their development, and in relevant international forums;

(f) Consider ratifying or acceding to the United Nations Convention against Corruption as a matter of priority and implement anti-corruption laws and regulations consistent with the Convention;

(g) Support the efforts of least developed countries to strengthen institutional capacity and regulatory frameworks for preventing corruption, bribery and money-laundering, the illegal transfer of funds and other illicit activities by both public and private entities;

(h) Provide appropriate assistance at the request of the recipient least developed country, in accordance with the Charter of the United Nations, to help prevention and resolution, through peaceful means, including mediation, of conflict, and support confidence-building, post-conflict peacebuilding, reintegration, reconstruction and rehabilitation;

(i) Strengthen support for least developed countries affected by conflict to address country-specific needs and situations, including broad-based, inclusive and rapid socio-economic development with a special focus on rebuilding national institutions and capacity, rebuilding critical infrastructure and generating productive employment and decent work for all;

(j) Harmonize and align assistance with national priorities of least developed countries affected by conflict.

V. The complementary role of South-South cooperation in the implementation of this Programme of Action

131. South-South cooperation has an important role in least developed countries' development, through its contribution to the implementation of the Istanbul Programme of Action, in areas such as human and productive capacity-building, technical assistance and exchange of best practices, particularly on issues relating to health, education, professional training, agriculture, environment, science and technology, trade and investment. Such cooperation, including, inter alia, triangular approaches, should be supported by the international community.

132. South-South cooperation is a manifestation of solidarity among peoples and countries of the South that contributes to their national well-being, national and collective self-reliance and the attainment of internationally agreed development goals, including the Millennium Development Goals. South-South cooperation and its agenda have to be set by countries of the South and should continue to be guided by the principles of respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit.

133. South-South cooperation is a common endeavour of peoples and countries of the South, born out of shared experiences and sympathies, based on their common objectives and solidarity, and guided by, inter alia, the principles of respect for national sovereignty and ownership, free from any conditionalities. South-South cooperation should not be seen as official development assistance. It is a partnership among equals based on solidarity. In that regard, we acknowledge the need to enhance the development effectiveness of South-South cooperation by continuing to increase its mutual accountability and transparency, as well as coordinating its initiatives with other development projects and programmes on the ground, in accordance with national development plans and priorities. The impact of South-South cooperation should be assessed with a view to improving, as appropriate, its quality in a results-oriented manner.

134. South-South cooperation is not a substitute for, but rather a complement to, North-South cooperation.

135. Efforts made by multilateral, regional and bilateral financial and development institutions to increase financial resources to promote South-South cooperation, where appropriate, for the least developed countries are welcomed.

136. The potential of South-South cooperation for least developed countries should be realized in accordance with its principles to attain the objectives of supporting national and regional development efforts, strengthening institutional and technical capacities and improving the exchange of experience and know-how among developing countries.

137. Achievements made by developing countries towards promoting South-South cooperation initiatives, including for least developed countries, are recognized and they are invited to continue to intensify their efforts.

138. The contribution of South-South cooperation to the Istanbul Programme of Action should be recognized, including by promoting initiatives that are beneficial to least developed countries, taking into account, among other things, economic complementarities among developing countries.

139. Promotion of least developed countries' access to and transfer of technology through South-South cooperation should be emphasized. Further efforts should be made by developing countries in improving technology cooperation arrangements with least developed countries, such as the Consortium on Science, Technology and Innovation for the South. It is also important to promote, through South-South cooperation, broader technological developments such as technological management capabilities and information networks that are demand-oriented and involve participation by users of technology or by those involved in the process of technological development, infrastructure and human resources development.

140. South-South cooperation is being implemented through various initiatives in the social (particularly health and education), economic, environmental, technical and political fields.[2]

VI. Graduation and smooth transition

141. Smooth transition of countries graduating from least developed country status is vital to ensure that these countries are eased onto a sustainable development path without any disruption to their development plans, programmes and projects. The measures and benefits associated with the least developed country membership status need to be phased out consistent with their smooth transition strategy, taking into account each country's particular development situation.

142. It is crucial for graduating countries to take the lead in the development of smooth transition strategies with the support of their development and trading partners. Development and trading partners, including the United Nations system, should continue to support the implementation of the transition strategy and avoid

[2] For example, Cuba's "Miracle Operation" and "Yes, I Can Do It" initiatives; the programmes of the Egyptian Fund for Technical Cooperation with Africa; the programmes of the Egyptian Fund for Technical Cooperation with the Commonwealth of Independent States, European Islamic Countries and Newly Independent Countries; the Horizontal Cooperation Programme of the International Cooperation Agency of Chile; the Indian Technical and Economic Cooperation Programme; India's Pan-African e-Network Project; the Bank of the South; the Bank of ALBA; the Non-Aligned Movement Centre for South-South Technical Cooperation; the Organization for Investment, Economic and Technical Assistance of the Islamic Republic of Iran; the Pakistan Technical Assistance Programme; the Petrocaribe Energy Cooperation Agreement; Proyecto Mesoamérica; the Mexico-Chile Joint Cooperation Fund; the initiative "Oil and Gas Development: Sharing Experiences and Lessons Learned within the Framework of South-South Cooperation"; Qatar's South Fund for Development and Humanitarian Assistance; Brazil's Strategic Programme in the Areas of Food Security and Agriculture with Haiti; the Brazil-International Labour Organization triangular programme to fight child labour; the initiative of the United Arab Emirates in the field of renewable and alternative energy and clean technology; the Uruguayan Fund for International Cooperation; the Mexico-Uruguay Joint Cooperation Fund; Nigeria's South-South Health Care Delivery Programme; the Nigeria Trust Fund; the Nigerian Technical Aid Corps scheme; the New Asian-African Strategic Partnership; the Forum on China-Africa Cooperation; the Africa-India Partnership; the Africa-South America Summit; the New Partnership for Africa's Development; the India, Brazil and South Africa Facility for Poverty and Hunger Alleviation; the Ibero-American Programme for Strengthening South-South Cooperation; the Argentine Fund for Horizontal Cooperation; the Kenya-Africa-Japan Strengthening of Mathematics and Science in Secondary Education project; the Regional Cooperation Meeting of the Japan International Cooperation Agency and the Association of Southeast Asian Nations; and the Brazil-Japan agricultural development project in Mozambique.

any abrupt reductions in financial and technical assistance and should consider extending trade preferences to the graduated country, on a bilateral basis.

143. The General Assembly is invited to establish an ad hoc working group to further study and strengthen the smooth transition process, within existing resources.

144. The United Nations should make concrete efforts in the implementation of smooth transition measures by extending to a graduated country, inter alia, within existing resources, the existing travel-related benefits to delegates for a period appropriate to the development situation of the country.

VII. Implementation, follow-up and monitoring

145. Efficient follow-up and monitoring mechanisms at the national, regional and global levels are crucial for the successful implementation of this Programme of Action. National, regional and global mechanisms should be mutually complementary and reinforcing. Necessary steps will be taken to ensure mutual accountability of least developed countries and their development partners for delivering their commitments undertaken under this Programme of Action.

146. National-level arrangements are particularly important, as the Programme of Action is owned and led by the least developed countries. At the national level, each least developed country Government should integrate the provisions of this Programme of Action into its national policies and development framework and conduct regular reviews with the full involvement of all key stakeholders. Existing country review mechanisms, including for the implementation of the Millennium Development Goals, poverty reduction strategy papers, common country assessments, United Nations Development Assistance Frameworks, and the existing consultative mechanisms should be broadened to cover the review of this Programme of Action and extended to all least developed countries.

147. The United Nations Resident Coordinator system and the country teams, as well as country-level representatives of the Bretton Woods institutions, and other multilateral institutions, are encouraged to continue to collaborate with and provide support to national follow-up and monitoring.

148. Development partners should support agreed objectives and policies designed by least developed countries on the basis of the Programme of Action that are integrated into existing national development and cooperation frameworks. They should monitor the delivery of their commitments and consider appropriate measures to overcome shortfalls or shortcomings, if any.

149. At the regional level, the relevant United Nations regional commissions and agencies should undertake biennial reviews of the implementation of this Programme of Action in close coordination with the global-level and country-level follow-up processes and in cooperation with subregional and regional development banks and intergovernmental organizations. The relevant United Nations regional commissions and agencies should continue to ensure that the needs and challenges of the least developed countries are addressed as part of their ongoing work.

150. At the global level, the implementation and monitoring mechanisms established after the Brussels Programme of Action should be strengthened and

improved for the effective implementation of the Programme of Action. The General Assembly should continue to monitor the implementation of this Programme of Action on an annual basis under the specific item on its agenda.

151. The Economic and Social Council is invited to continue to include periodically an agenda item during its annual substantive session on the review and coordination of the implementation of this Programme of Action. Periodic reviews of progress made and constraints confronted by least developed countries should be conducted by the Economic and Social Council to allow for focused interactions. The Economic and Social Council is invited to include the review of the implementation of the Programme of Action in its annual ministerial reviews, as required. The Development Cooperation Forum should keep reviewing trends in international development cooperation, as well as policy coherence for development, including for least developed countries.

152. Consideration of each annual review in the General Assembly and the Economic and Social Council should include, inter alia, (a) follow-up, monitoring and assessment of progress in the implementation of the Programme of Action at the national, subregional, regional and global levels through reporting by Governments, as well as by the secretariats and intergovernmental bodies of the United Nations system and of other relevant subregional, regional and international organizations and institutions; (b) fostering international cooperation in support of the Programme of Action, including coordination among donors and among organizations referred to above; and (c) elaborating new policies and measures in the light of changing domestic and external circumstances facing least developed countries.

153. The governing bodies of the United Nations funds and programmes and other multilateral organizations, including the Bretton Woods institutions and international financial institutions, are invited to contribute to the implementation of the Programme of Action and to integrate it into their work programmes, as appropriate and in accordance with their respective mandates. These organizations are invited to participate fully in reviews of the Programme of Action at the national, subregional, regional and global levels.

154. The Secretary-General of the United Nations is requested to ensure the full mobilization and coordination of all parts of the United Nations system to facilitate coordinated implementation and coherence in the follow-up and monitoring of the Programme of Action at the national, subregional, regional and global levels. The coordination mechanisms available, such as the United Nations System Chief Executives Board for Coordination and the United Nations Development Group, should be broadly utilized and the inter-agency consultative group should be kept active in this regard.

155. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States should continue to fulfil its functions to assist the Secretary-General for the effective follow-up and monitoring of the implementation of the Programme of Action and the full mobilization and coordination of all parts of the United Nations system, with a view to facilitating the coordinated implementation of and coherence in the follow-up and monitoring of the Programme of Action for the least developed countries at the country, regional and global levels, and to assist in mobilizing international support and resources for the implementation of the Programme of Action for least developed countries. To this end, it should continue its awareness-

raising and advocacy works in favour of least developed countries in partnership with the relevant part of the United Nations, as well as with parliaments, civil society, the media, academia and foundations, and to provide appropriate support to group consultations of least developed countries. With a view to ensuring the effective implementation of the functions of OHRLLS and strengthening its capabilities and its effectiveness, as well as the effectiveness of the United Nations system support provided to least developed countries, the Secretary-General is requested to prepare a report, in consultation with Member States and the relevant specialized agencies, funds, programmes and regional commissions, taking into account the work done by the United Nations system, and to submit it with recommendations to the General Assembly at its sixty-seventh session.

156. The United Nations Conference on Trade and Development (UNCTAD) should continue to address the challenges faced by least developed countries through conducting intergovernmental consensus-building, especially in the Trade and Development Board, and to contribute to the implementation of the Programme of Action also through its technical assistance to least developed countries. UNCTAD's institutional capacity in the research and analysis of least developed country issues should be maintained to this end.

157. The United Nations General Assembly is invited to consider conducting a comprehensive high-level midterm review on the implementation of the Programme of Action. The General Assembly, towards the end of the decade, is also invited to consider holding a Fifth United Nations Conference on the Least Developed Countries, in order to make a comprehensive appraisal of the implementation of this Programme of Action and to decide on subsequent action.